

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: Z-TEL COMMUNICATIONS, INC.	DOCKET NOS. TCU-00-47 WRU-00-77-3474 TF-00-200 TF-00-201
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**ORDER APPROVING APPLICATION, CONCURRENCE IN MAPS,
TARIFFS, GRANTING WAIVERS, AND ISSUING A CERTIFICATE**

(Issued November 1, 2000)

On August 3, 2000, Z-Tel Communications, Inc. (Z-Tel), filed an application for issuance of a certificate of public convenience and necessity, pursuant to Iowa Code § 476.29 (1999), stating its intention to provide statewide facilities-based and resold local exchange services. The application has been identified as Docket No. TCU-00-47. Z-Tel filed a local service tariff and an access tariff simultaneously with the application. The tariffs were identified as Docket Nos. TF-00-200 and TF-00-201, respectively.

Initially, Z-Tel requested authority to offer service in the exchanges served by Qwest Corporation, f/k/a U S WEST Communications, Inc. (Qwest), and Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, successor to GTE Midwest Incorporated (Iowa Telecom). However, the tariffs filed by Z-Tel only reference the Qwest exchanges. In addition, Z-Tel has provided the qualifications of its company

officers and financial statements and has agreed to support the 2-PIC methodology for dialing parity.

Iowa Code § 476.29(2) (1999) provides that the local exchange carrier shall not be denied a certificate if the Utilities Board (Board) finds that the applicant "possesses the technical, financial, and managerial ability to provide the service it proposes to render and the board finds the service is consistent with the public interest." The Board has reviewed Z-Tel's application and finds the necessary technical, financial, and managerial ability to provide local exchange service has been demonstrated. The Board finds that it is consistent with the public interest to approve the application and grant Z-Tel a certificate.

Iowa Code § 476.29(4) requires that each certificate define the service territory in which land-line local telephone service will be provided and authorizes the Board to promulgate rules establishing requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have on file with the Board maps, which show exchange boundaries. Z-Tel has adopted the maps of Qwest and Iowa Telecom. However, since Z-Tel's proposed tariffs only reference the Qwest exchanges, the Board will grant authority to serve only those exchanges at this time. If Z-Tel wishes to expand its service into other exchanges, it must file proposed revised tariff sheets reflecting the exchanges where it will be offering service. The Board finds that Z-Tel has complied with the statutory and rule requirements by concurring in the maps of Qwest.

Z-Tel has requested that the Board waive the requirements of 199 IAC 16.5(2), 18.2, and 22.3(2). The waiver requests were identified as Docket No. WRU-00-77-3474.

Z-Tel requested a waiver of 199 IAC 16.5(2), which requires the keeping of records according to the uniform system of accounts. Z-Tel states that it employs an accounting system in accordance with generally accepted accounting principles (GAAP). The Board finds that this waiver should be granted, since records kept in accordance with GAAP accounting are acceptable for a competitive local exchange service provider.

Z-Tel has requested that the requirements of 199 IAC 18.2 be waived. The rule requires that a regulated public utility keep its records in Iowa. The Board will grant the waiver based upon the statement of Z-Tel that it would make the records available to the Board upon request.

Z-Tel also requested the Board waive 199 IAC 22.3(1), requiring it to independently publish a directory. The Board will grant this waiver since Z-Tel does not have a sufficient number of customers to warrant publishing a directory and Z-Tel states that it will provide all directory information to the incumbent local exchange carrier for inclusion in its directory.

Since the Board has approved Z-Tel's application, tariffs, and concurrence in the maps of Qwest, the Board will grant Z-Tel a certificate of public convenience and necessity. The Board will issue Certificate No. 0228 concurrently with this order. Initially, Z-Tel may only provide service in the service territory and exchanges as

shown in the tariffs approved in this docket; i.e., the Qwest exchanges. As stated above, Z-Tel may provide service in additional exchanges by filing proposed revised tariff sheets, which indicate the additional exchanges where Z-Tel will offer service.

IT IS THEREFORE ORDERED:

1. The application for a certificate of public convenience and necessity filed by Z-Tel Communications, Inc., on August 3, 2000, is approved.
2. The proposed tariffs identified as TF-00-200 and TF-00-201, filed on that date to provide local exchange service are approved.
3. The concurrence in the maps and boundaries of the exchanges of Qwest is approved.
4. Certificate No. 0228 will be issued concurrently with this order.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 1st day of November, 2000.